



THE HONGKONG AND SHANGHAI HOTELS, LIMITED
香港上海大酒店有限公司

To: All Finance/Business/Travel Editors
FOR IMMEDIATE RELEASE

28 August 2020

**THE HONGKONG AND SHANGHAI HOTELS, LIMITED
ANNOUNCES RESTRUCTURING OF JOINT VENTURE ARRANGEMENTS IN
THAILAND**

After completion, HSH will own 100% equity interest in The Peninsula Bangkok

[Friday 28 August 2020] The Hongkong and Shanghai Hotels, Limited (HSH) today announced that via a wholly-owned subsidiary, it has entered into heads of terms to restructure the current arrangement with its Thai partners, the Phataraprasit Shareholders. Subject to the signing of definitive and legally binding agreements and following the completion of the restructuring, the joint venture relationship between the parties will cease.

HSH plans to acquire the Phataraprasit Shareholders' 50% economic interest in The Peninsula Bangkok and its surrounding land, for a cash consideration of US\$70 million (approximately HK\$546 million) excluding taxes plus 50% economic interest in the Thai Country Club and various land parcels close to the Club. The cash amount will be funded from the company's own resources.

Upon completion of the transaction, the company will assume full ownership and control over the development, management and future operations of The Peninsula Bangkok and its surrounding land, as well as be entitled to the profits and assume the liabilities and expenses of the hotel and its surrounding land. HSH will cease to have any responsibility over the development, management and future operations of the Thai Country Club and various land parcels close to the Thai Country Club. The restructuring is in line with the company's principal business of hotel ownership and management and reflects the desire of the company and the Phataraprasit Shareholders to resolve all current and contingent disputes, including the dispute on the hotel management agreement relating to The Peninsula Bangkok.

"This was a difficult decision for the group and one that was taken in the light of the very challenging global and domestic market circumstances and the legal dispute between the partners," said HSH CEO and Managing Director Clement Kwok. "We are sad to no longer own and operate Thai Country Club and would like to express our heartfelt appreciation for the staff's incredible support, hard work and dedication to making Thai Country Club one of the finest golf clubs in the country over the past 24 years of operation. We remain committed to Thailand as a long-term investment and we plan to re-open The Peninsula Bangkok when the coronavirus situation improves, hopefully in autumn 2020."



About The Hongkong and Shanghai Hotels, Limited

Incorporated in 1866 and listed on The Stock Exchange of Hong Kong (00045), HSH is the holding company of a Group which is engaged in the ownership, development and management of prestigious hotel, commercial and residential properties in key locations in Asia, the United States and Europe, as well as the provision of tourism and leisure, club management and other services. The Peninsula Hotels portfolio comprises The Peninsula Hong Kong, The Peninsula Shanghai, The Peninsula Beijing, The Peninsula Tokyo, The Peninsula New York, The Peninsula Chicago, The Peninsula Beverly Hills, The Peninsula Paris, The Peninsula Bangkok, and The Peninsula Manila. Projects under development include The Peninsula London, The Peninsula Istanbul and The Peninsula Yangon. The property portfolio of the Group includes The Repulse Bay Complex, The Peak Tower and St. John's Building in Hong Kong; The Landmark in Ho Chi Minh City, Vietnam; and 21 avenue Kléber in Paris, France. The clubs and services portfolio of the Group includes The Peak Tram in Hong Kong; Quail Lodge & Golf Club in Carmel, California; Peninsula Clubs and Consultancy Services, Peninsula Merchandising, and Tai Pan Laundry in Hong Kong.

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